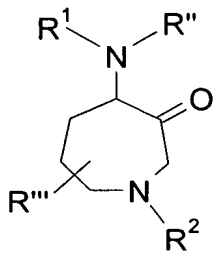
We claim:

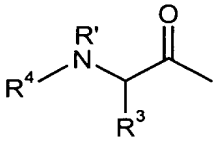
1. A method of inhibiting cathepsin L, comprising administering to a patient in need thereof an effective amount of a compound of Formula I:



I

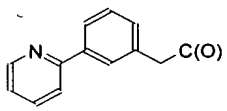
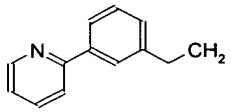
wherein:

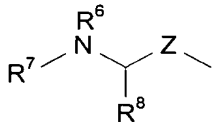
R^1 is



;

R^2 is H, C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl, Het-C_{0-6}alkyl, $R^9C(O)$-, $R^9C(S)$-, R^9SO_2-, $R^9OC(O)$-,

$R^9R^{11}NC(O)$-, $R^9R^{11}NC(S)$-, $R^9(R^{11})NSO_2$-  ,  and



;

R^3 is H, C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, HetC_{0-6}alkyl and ArC_{0-6}alkyl;

R^3 and R' may be connected to form a pyrrolidine, piperidine or morpholine ring;

R^4 is $R^5OC(O)$-;

R^5 is quinolin-6-yl;

R^6 is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R^7 is H, C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl, Het-C_{0-6}alkyl, $R^{10}C(O)$-, $R^{10}C(S)$-, $R^{10}SO_2$-, $R^{10}OC(O)$-, $R^{10}R^{14}NC(O)$-, or $R^{10}R^{14}NC(S)$-;

R^8 is H, C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, HetC_{0-6}alkyl or ArC_{0-6}alkyl;

R^9 is C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl or Het-C_{0-6}alkyl;

R^{10} is C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl or Het-C_{0-6}alkyl;

R^{11} is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R^{12} is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R^{13} is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R^{14} is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R' is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R" is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R"' is H, C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

X is CH_2, S, or O; and

Z is C(O) or CH_2;

and pharmaceutically acceptable salts, hydrates and solvates thereof.

2. A method according to Claim 1 wherein in said compound R^3 is C_{1-6}alkyl and Ar-C_{0-6}alkyl.

3. A method according to Claim 2 wherein in said compound R^3 is isobutyl, napthalen-2-ylmethyl, benzyl, or benzyloxymethyl.

4. A method according to Claim 1 wherein in said compound R' is H.

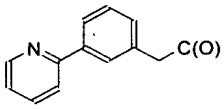
5. A method according to Claim 1 wherein in said compound R" is H.

6. A method according to Claim 1 wherein in said compound R"' is H.

7. A method according to Claim 1 wherein in said compound R" and R"' are both H.

8. A method according to Claim 1 wherein in said compound:

R^2 is H, C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl, Het-C_{0-6}alkyl, $R^9C(O)$-, $R^9C(S)$-, R^9SO_2-, $R^9OC(O)$-, $R^9R^{11}NC(O)$-, $R^9R^{11}NC(S)$-, $R^9R^{11}NSO_2$-,



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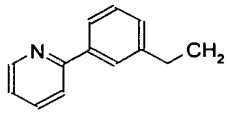
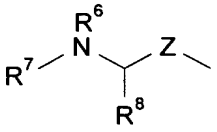


or


;

R^6 is H, C_{1-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R^7 is H, C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl, Het-C_{0-6}alkyl, $R^{10}C(O)$-, $R^{10}C(S)$-, $R^{10}SO_2$-, $R^{10}OC(O)$-, $R^{10}R^{14}NC(O)$-, or $R^{10}R^{14}NC(S)$;

R^8 is H, C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, HetC_{0-6}alkyl or ArC_{0-6}alkyl;

R^9 is C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl, or Het-C_{0-6}alkyl;

R^{10} is C_{1-6}alkyl, C_{3-6}cycloalkyl-C_{0-6}alkyl, Ar-C_{0-6}alkyl or Het-C_{0-6}alkyl; and

Z is C(O) or CH_2.

9. A method according to Claim 8 wherein in said compound R^2 is R^9SO_2.

10. A method according to Claim 9 wherein in said compound R^9 is Het-C_{0-6}alkyl.

11. A method according to Claim 10 wherein in said compound R^9 is pyridinyl or 1-oxy-pyridinyl.

12. A method according to Claim 11 wherein in said compound R^9 is pyridin-2-yl or 1-oxy-pyridin-2-yl

13. A method according to Claim 12 wherein said compound is:

quinoline-6-carboxylic acid {(S)-naphthylen-2-yl-1-[(S)-oxo-1-(pyridine-2-sulfonyl)-azepan-4-yl carbamoyl]-ethyl}-amide, or

quinoline-6-carboxylic acid {(S)-1-[(S)-3-oxo-1-(pyridine-2-sulfonyl)-azepan-4-yl carbamoyl]-2-phenyl-ethyl}-amide; or

a pharmaceutically acceptable salt, hydrate or solvate thereof.

14. A method of treating a disease characterized by positive selection of $CD4^+T^-$cells by cortical thymic epithelial cells comprising inhibiting said positive selection of $CD4^+T^-$cells by cortical thymic epithelial cells by administering to a patient in need thereof an effective amount of a compound according to claim 1.